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FM USMISSION GENEVA  
TO SECSTATE WASHDC 8196

UNCLAS GENEVA 000250

DEPT FOR PRM

E.O. 12958: N/A

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SUBJECT: (SBU) UNHCR 44TH STANDING COMMITTEE: FOCUS ON  
MANAGEMENT AND BUDGET

REF: A. GENEVA 238

¶1. (U) SUMMARY. Developments related to UNHCR's operational management and program budgets figured prominently during the March 3-5, 2008, Standing Committee meeting. Discussions included UNHCR's ongoing structural and management change process, implementation of recommendations made by the Board of Auditors, inspections and investigations undertaken by the Inspector General's Office, and program budgets and income. UNHCR is on track to finish the roll-out process of its Global Needs Assessment and Focus planning software over the course of the next few months, tools that will underpin its 2010 budget. UNHCR fears that the suffering global economy and fluctuating exchange rates will negatively impact on its income levels in 2009, thus adding more urgency to UNHCR's efforts to maximize productivity, efficiency and cost savings. During the Standing Committee, member states generally voiced approval for UNHCR's reform process, which was echoed in a recent UNHCR staff survey. Member states did not react to UNHCR's budget presentation, as the preparatory documents were circulated only one day in advance of the meeting. END SUMMARY.

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UNHCR's Structural and Management Reform  
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¶2. (U) Deputy High Commissioner Craig Johnstone and Volker Turk, the Director of the Office for Organizational Development and Management, led the discussion focused on structural and management changes implemented to date and the road ahead in 2009. UNHCR has made progress in its reform and structural and management change initiatives and is on track to finish the roll-out process over the course of the next few months, with plans to incorporate the changes into the 2010 budget. Currently in the implementation stage is the new Focus software as well as the Global Needs Assessment (GNA), which have received very positive feedback from the field staff that has been trained thus far. UNHCR has been providing extensive training and workshops over the past two months with field staff while headquarters staff continues to receive training. UNHCR continues working on and finalizing its Global Management Accountability Framework, a map of the division of accountabilities, responsibilities and authorities between UNHCR headquarters, regional offices and field offices. It will also establish a Steering Committee for follow-up both at headquarters and in the field.

¶3. (U) The decentralization and regionalization process continues at UNHCR with the goal of having a better response time and a greater capacity. To be able to build this capacity, UNHCR is placing the Office of the Director of the Europe Bureau in Brussels, as well as relocating the Office of the Deputy Director of the Americas Bureau to Panama. The Deputy Director of the European Bureau and the Director of the Americas Bureau will remain at headquarters. UNHCR is currently engaged in discussions regarding the next steps of the process, including consideration of adding new regional offices in both southern and western Africa. Decisions will be aided by the Global Management Accountability Framework, which analyzes the division of workload and responsibility. Some member states questioned the ability to manage all of these changes at the same time and how UNHCR can maintain a

decentralized yet coherent organization. Overall, however, member states supported the bold approach to restructuring and many said it could be replicated in other parts of the UN. The U.S. voiced support for the outpostting and decentralization process, and expressed its interest in more details towards action plans and the forthcoming accountability frameworks. The U.S. also asked for the overall cost savings of these efforts and UNHCR's plans to establish a unit for monitoring and evaluating UNHCR's global performance.

¶4. (U) A major concern according to UNHCR continues to be its high number of 144 members of staff in between assignments (SIBAs). The auditors have strongly recommended that it carry out systematic and accurate budgetary monitoring of costs associated with SIBAs. The DHC stated that SIBAs add an additional \$30 million cost to the budget. UNHCR maintains the stance that there will always be a number of legitimate SIBAs who have completed the appropriate rotation, but there are also those who abuse the ability to reject offered assignments. A few of the SIBAs are on short-term posts, but there is currently no flexibility for their classification in human resources as being usefully employed, since they are not filling permanent full-time positions. In order to address the issue of those who are working but considered SIBAs, the capacity of UNHCR's human resources employee management system needs to improve as well as a new career management support agency to ensure appropriate internal placement. This is a need UNHCR acknowledges and plans to address in addition to the new three-strike policy. While the U.S. Del agreed with UNHCR about the reduction in SIBAs, they also urged the consideration of the need for staff with appropriate qualifications to fill the positions in addition to evaluation of work performance.

¶5. (U) In order to increase efficiency and its capacity to respond to emergencies, UNHCR has made plans to consolidate asset and supply information in a central location for faster and more comprehensive deployment in emergency response situation. UNHCR plans to establish full reviews of all assets and will be cleaning up its asset database. The Asset Management Unit has been relocated to the Global Service Center in Budapest to be closer to Supply Management Service for better efficiency. They now have new policies regarding inventories, non-expendable property and serially tracked items.

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Global Reviews and Surveys  
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¶6. (U) UNHCR has undertaken several inspections and surveys regarding its staff and departments to make general and specific assessments of which the baselines, or recommended averages, are being taken very seriously. The 2008 Global Staff Survey results gave a mixed outlook on the way forward and provided suggestions on additional reforms that might be necessary. The response rate of 2008 was significantly higher than 2006, 57 percent vs. 34 percent, respectively. The results show that UNHCR staff are highly motivated and engaged, proud of their work, and confident in their abilities to respond to UNHCR's mandate. However, at the same time, it was found that one of four staff members lacks full confidence in his/her managers, and that there is a 48% confidence rating in senior management. The questionnaire asked about long-term plans, and it was found that 40% of staff would consider leaving UNHCR should a similar job with the same pay be offered elsewhere. Ethics was another area in which there was a statistically significant decrease in confidence and one out of four staff members was unaware as to where to report ethics issues. Considering these negative findings, some areas for improvement under this survey were: management and professional development, improved upper-level transparency, human resource development, vertical internal communications, as well as ethics. The US expressed its approval of the benchmarks and guidelines in place. All of these issues are currently included in the reform process and a Steering Committee will be initiated for follow-up on these

concerns. Previously, however, as reported in the Global Survey, there had been concern at the low level of implementation of the action plans created to address several previously identified issues of concern.

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Update from the Inspector General  
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¶17. (U) The Inspector General Kofi Asomani said that his office had initiated several inspections to delve into some deeper concerns involving operational activities. These were conducted in nine countries and also at headquarters. They found that offices continue to improve in general; Jordan and Ethiopia were specifically noted as exhibiting superior external relations. On the other hand, they found that refugees and asylum seekers need to have better access to UNHCR staff; there were 113 registered cases of staff misconduct registered during 2008, one-third of which directly affected UNHCR beneficiaries, most commonly under the categories of abuse of authority and harassment. The U.S. voiced its deep concern on this extraordinary number of cases, solicited the strengthening of the Office of the Inspector General (IGO's) efforts in following up on these efforts, and encouraged cooperation among in-house actors to address these complaints throughout the agency. UNHCR has since implemented a web-based complaint system for beneficiaries and staff to log complaints through to headquarters. Canada pointed out that an online complaint system might not be accessible to all UNHCR beneficiaries, but the Inspector General assured member states that it would be improved and made highly accessible. The Netherlands and the U.S. urged UNHCR to implement the recommendations made in the European Commission's Anti-Fraud Office's (OLAF's) independent review undertaken in 2008; the Inspector General said that the High Commissioner had established a working group to develop an implementation plan by the end of March. The U.S. pointed out that UNHCR's oversight committee, which oversees audits, does not meet standards for independence. The U.S. also asked UNHCR to clarify the role of the IGO in relation to other in-house functions, like the Ethics Office and Office of the Ombudsman.

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Cooperating with Others  
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¶18. (U) Volker Turk reported that in the process of strengthening its own capacity, UNHCR has taken an active stance on coordination with other agencies. It continues to be an active member of the Interagency Standing Committee (IASC). IASC has recently been working to consolidate views and create a unified stance and shared policy on a variety of issues such as climate change and migration. In addition, UNHCR is in consultations with OCHA to discuss its management of the Global Needs Assessment (GNA) and Results Based Management initiatives. There will be an IASC meeting about the GNA later in March.

¶19. (U)COMMENT: Donors have been unsure whether the GNA will comprise a full "Global" Needs Assessment in which all stakeholders, areas of responsibility are outlined, or whether the GNA will only present a snapshot of needs falling within the UNHCR mandate. UNHCR staff clarified to U.S.Del that UNHCR will only present donors with its comprehensive plans for UNHCR planned activities, as it would be too ambitious to capture the needs of other entities like host governments and UNICEF. END COMMENT.

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Budget and Funding  
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¶10. (U) DHC Johnstone reported that 2008 was a good financial year for UNHCR: contributions amounted to 92 percent of UNHCR's approved budget (as compared to 91 percent in 2007 and 79 percent in 2006). He said that a question mark looms over 2009 (given the current global financial situation and

fluctuating exchange rates), and a dark cloud looms over 2010 (given UNHCR,s plans to ask donors for more funds under the GNA and the full impact of the financial crisis on government budgets). Because the budget for 2009 was released only one day prior to the Standing Committee meeting, there was no in-depth discussion.

¶11. (U) UNHCR is pushing for pledges to be honored as early as possible so that it can ensure continuity of programming. Throughout the presentation, member states posed questions regarding the future of Supplementary Budgets (SBs); UNHCR has stated that the new four-pillared budget will incorporate some of the SBs, while IDP programs, longer-term reintegration programming and emergency responses will continue to be funded as SBs, so they will not be spending any more money than they actually receive in those non-core-mandate areas.

¶12. (U) COMMENT: The pillar system will allocate funds between four pillars: 1) core refugee activities, 2) statelessness activities, 3) longer-term reintegration activities and 4) IDP activities. Funding cannot be shifted between pillars. END COMMENT.

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Strengths and Areas for Improvement  
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¶13. (U) According to Turk, management and resource polices are at the top of this list as areas for improvement. To address management and professional development as well as ethics issues, UNHCR has begun the decentralization process as well as set up an Ombudsman and Ethics offices. UNHCR staff has contributed to the strength of the Structural Management Change process by being generally highly motivated and engaged, proud of their work and organization. To track the progress of improvement, UNHCR has initiated a Steering Committee for dedicated follow up as well as having regional and field offices follow up internally.

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COMMENT  
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¶14. (SBU) UNHCR headquarters has been actively striving to improve the quality and cost-effectiveness of its work in the field. The current financial climate has added urgency to these efforts. Unfortunately, many of the questions and concerns voiced by countries in attendance were left unanswered, including a request that UNHCR quantify the impacts of its reforms on its budget and the field and a concern that UNHCR's efforts to decentralize/ regionalize should be counterbalanced by a commensurate effort to establish strong quality control measures at the central level.

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